

**TEACHER RETIREMENT SYSTEM OF TEXAS MEETING  
BOARD OF TRUSTEES**

**AGENDA**

**February 24, 2016 – 9:00 a.m.**

**February 25, 2016 – 8:00 a.m.**

**February 26, 2016 – 8:00 a.m.**

**Region 10 Educational Service Center, 1<sup>st</sup> Floor, Collin, Dallas, and Ellis Rooms  
400 East Spring Valley Road, Richardson, TX 75081**

*All or part of the February 24-26, 2016 meeting of the TRS Board of Trustees may be held by telephone conference call as authorized under Section 551.130 of the Texas Government Code. The Board intends to have a quorum physically present at the following location: **400 East Spring Valley Road, Richardson, TX 75081**. The Board may take up the items posted on its agenda in any order at its meeting on February 24-26, 2016 beginning at the time and place specified on this agenda.*

*The open portions of the February 24-26, 2016 Board meeting are being broadcast over the Internet. Access to the Internet broadcast of the Board meeting is provided on TRS' website at [www.trs.state.tx.us](http://www.trs.state.tx.us).*

1. Call roll of Board members.
2. Consider the following Board administrative matters – David Kelly:
  - A. Welcome new trustees, if applicable.
  - B. Consider approving the November 19-20, 2015 proposed Board meeting minutes.
  - C. Consider approving the December 7, 2015 proposed Board meeting minutes.
  - D. Consider the election of the Board Vice-Chair.
  - E. Consider consenting to the Board Chair's appointment of committee members and receive the Board Chair's public announcement of committee chairs.
  - F. Consider setting, rescheduling, or canceling future Board meetings.
  - G. Recognize outgoing trustees.
3. Provide an opportunity for public comment – David Kelly.
4. Receive an overview of the Board meeting agenda and theme – Brian Guthrie.

5. Receive the report of the Chief Benefit Officer and consider the following matters – Barbie Pearson:
  - A. Consider approving the minutes of the July, September, and November 2015 Medical Board meetings.
  - B. Consider concurring in the Medical Board’s certification regarding a disability retiree under Section 824.307 of the Government Code, discontinuing annuity payments for the retiree, and restoring the retiree to membership.
  - C. Consider approving the list of members qualified for retirement for September through November 2015.
6. Discuss and consider selecting a TRS-Care Standard Health Plan Administrator (HPA), including considering a finding that deliberating or conferring on the selection of the HPA in open meeting would have a detrimental effect on the position of the retirement system in negotiations with a third person.
7. Consider establishing a single, uniformly applied employer-health-benefit-surcharge rate under TRS-Care – Katrina Daniel and Yimei Zhao.
8. Consider designating the Chair and Vice-Chair of the Retiree Advisory Committee – Katrina Daniel.
9. Review and discuss the Executive Director's report on the following matters – Brian Guthrie:
  - A. Review Strategic Plan and Executive Director goals.
  - B. Discuss TRS history, operations, and workforce overview.
  - C. Preview draft agendas for upcoming Board meetings.
  - D. Receive the Board training calendar.
  - E. Discuss and receive information on the TEAM Program history, retirement plan benefits, investment activity and operations, health-benefit programs and operations, and administrative operations, including financial, audit, legal, and staff services and special projects.
10. Receive a brief history and status update on the TEAM Program – Jay Masci, Provaliant; David Cook and Adam Fambrough.
11. Look ahead at Key TEAM Program Risks for 2016 – Michael Johnson, Bridgepoint Consulting.

12. Receive an overview of the Benefits Division and of the Information Technology Division, including demonstrations of the TRUST program and remote counseling – Barbie Pearson and Chris Cutler.
13. Receive an overview of the Health Insurance Benefits and Human Resources Departments and discuss the collaboration among Benefits, Health Insurance Benefits, and Human Resources on a training and quality assurance initiatives – Barbie Pearson, Katrina Daniel, and Janet Bray.
14. Receive an overview of the following departments or divisions:
  - A. Internal Audit – Amy Barrett.
  - B. Financial Services, including an update on financial matters – Don Green.
  - C. Project Management Office (PMO) – David Cook.
15. Receive a presentation on and discuss collaboration among departments for automation best ideas, including the following:
  - A. Presentation overview and automation as a result of TEAM implementation – Amy Barrett, Jan Engler, and Toma Miller.
  - B. Development and identification of ideas and executive priorities – Barbie Pearson, Don Green, Janet Bray, Amy Barrett, and Chris Cutler.
  - C. Sustaining a “culture of innovation” – David Cook and Chris Cutler.

**NOTE:** *The Board meeting likely will recess after the last item above and resume Thursday morning to take up items listed below.*

16. Provide opportunity for public comment – David Kelly.
17. Receive an overview of the February 25, 2016 agenda – Brian Guthrie.
18. Receive an overview of the Communications Department and discuss the collaboration between Communications and IT on the TEAM Web Site Redesign Project – Howard Goldman and Chris Cutler.
19. Discuss health care cost containment and data analytics initiatives – Katrina Daniel.
20. Receive an overview of the Governmental Relations Department and an update on legislative interim charges – Ray Spivey and Merita Zoga.
21. Receive an update on employer audits and discuss the collaboration between Audit and Benefits in the employer audit process – Amy Barrett, Art Mata, Dinah Arce and Melody Austin.

22. Receive an overview of the Division of Strategic Initiatives, including an update on the TRS Strategic Planning process and the integration of enterprise risk management with strategic planning – Rebecca Merrill and Jay LeBlanc.
23. Discuss the role of enterprise risk management and facilities management in creating a safe, productive work environment – Jay LeBlanc and Don Green.
24. Receive a presentation on actuarial matters, including a review of actuarial terminology, methodology, and assumptions – Joe Newton, Gabriel, Roeder, Smith and Co.
25. Receive an overview of the Legal Department and receive presentations on the following matters – Carolina de Onís:
  - A. Open Government Update – Dan Junell and Ronnie Bounds.
  - B. An overview of and question and answer session on ethics and compliance matters – Carolina de Onís; Heather Traeger; and Steve Huff, Reinhart Boerner Van Deuren, s.c.
26. Receive an update on implementation of various Governmental Accounting Standards Board (GASB) requirements – Don Green and Jamie Pierce.
27. Receive a presentation on and discuss contracting and procurement practices, including the report on Historically Underutilized Businesses (HUB) for fiscal year 2015 and consider related HUB goals for fiscal year 2016 – Don Green and Cecilia Whitley.
28. Panel discussion on environmental, social, and governance (ESG) investing – Steve Voss and Meredith Jones, Aon Hewitt; and Dr. Keith Brown.

**NOTE:** *The Board meeting likely will recess after the last item above and resume Friday morning to take up items listed below.*

29. Provide opportunity for public comment – David Kelly.
30. Receive an overview of the February 26, 2016 agenda – Brian Guthrie.
31. Discuss the following investment matters:
  - A. Review of the Stock Exchange – Bernie Bozzelli.
  - B. Fast and Fair: A Market Based Solution to Market Wide Issues – Ronan Ryan, IEX.
  - C. Receive an update on the Emerging Manager portfolio – Sylvia Bell.
  - D. TRS Investment Management Division Market and Trust Review – Britt Harris.

32. Consider personnel matters, including the appointment, employment, evaluation, compensation, performance, duties, discipline, or dismissal of the Executive Director, Chief Investment Officer, or Chief Audit Executive – David Kelly.
33. Consult with the Board's attorney(s) in Executive Session on any item listed above on this meeting agenda as authorized by Section 551.071 of the Texas Open Meetings Act (Chapter 551 of the Texas Government Code) – David Kelly.